



INCLUSIVE DEVELOPMENT OF INDIA: NEW HORIZON

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ABSTRACT

The concept of inclusive growth has become vital to economic development due to rising economic inequality and its effects on human well-being and prosperity. Inclusive growth as economic growth that is distributed fairly across society and creates opportunities for all. Inclusive growth is intended to meet the objectives of inclusiveness and sustainability together. Indian government along with the state governments and local governments should continue to focus on eradicating poverty and achieving sustainable development in order to improve the lives of India's people. Through innovative partnerships with an international organization, civil societies, and private companies, inclusive and equitable growth can be targeted. Inclusive growth will help in the empowerment of vulnerable and marginalized populations, improve livelihoods, and augment skill-building for women. In the end, inclusive growth has to start from the grass-root level, hence targeting the basic issues is key. Nowadays, large numbers of people are losing faith in their institutions. This trend can be reversed if public authorities demonstrate the highest standards of integrity and efficiency in their work, and promote more transparency and public participation.

KEYWORDS: Inclusive, Development, Opportunities, Government, Innovative and Population.

INTRODUCTION:

Inclusive growth means economic growth that creates employment opportunities and helps in reducing poverty. It means having access to essential services in health and education by the poor. It includes providing equality of opportunity, empowering people through education and skill development. It also encompasses a growth process that is environment friendly growth, aims for good governance and helps in creation of a gender sensitive society. As per OECD (Organisation for Economic Co-operation and Development), inclusive growth is economic growth that is distributed fairly across society and creates opportunities for all. The concept of inclusive growth has become vital to economic development due to rising economic inequality and its effects on human well-being and prosperity. Inclusive growth as economic growth that is distributed fairly across society and creates opportunities for all. Inclusive growth is intended to meet the objectives of inclusiveness and sustainability together. Former President Pranab Mukherjee had mentioned that "Inclusive growth should not be a mere slogan but a fundamental driving force for sustainable development." Inclusive growth focuses on ecological friendly economic growth which is a necessary and crucial condition for poverty reduction and sustainability. Harnessing the demographic dividend will depend upon the employability of the working age population, their health, education, vocational training and skills. Skill development plays a key role here. India is facing a dual challenge in skill development. First, there is a paucity of highly trained workforce. Second, there is non-employment of conventionally trained youths. According to the Economic Survey 2017, over 30% of youth in India are NEET (Not in education, employment or training). Similarly, UNICEF 2019 reports stats that at least 47% of Indian youth are not on track to have the education and skills necessary for employment in 2030.

Financial Inclusion:

Financial Inclusion is the process of ensuring access to financial services to vulnerable groups at affordable costs. Financial inclusion is necessary for inclusive growth as it leads to the culture of saving, which initiates a virtuous cycle of economic development.

Technological Advancement:

The world is moving towards an era of Industrial Revolution 4.0. These technological advancements have capabilities to both decrease or increase the inequality depending on the way these are being used. Several initiatives have been taken by the government, eg. Digital India Mission, so that a digitally literate population can leverage technology for endless possibilities.

Technology can help to combat other challenges:

Agriculture: Modern technology can help in making an agro-value chain from farmer to consumer more efficient and competitive.

Manufacturing: Technology can resolve the problems of finance, procuring raw materials, land, and linkages with the user market. GST was made possible only with the help of sound technology.

Education: Innovative digital technologies can create new forms of adaptive and peer learning, increasing access to trainers and mentors, providing useful data in real-time.

Health: Technologies could transform the delivery of public health services - extend care through remote health services.

Governance: Technology can cut down delays, corruption, and inefficiency in the delivery of a public service.

Economic Growth:

India is among the fastest-growing major economies in the world. However, currently Indian economy is facing slowdown due to both cyclic and structural challenges. However, the target of becoming a \$ 5 trillion economy by 2024-25 can allow India to reduce inequality, increase social expenditure and provide employment to all.

Social Development:

It means the empowerment of all marginalised sections of the population like SC/ST/OBC/Minorities, women and transgenders. Empowerment can be done by improving institutions of the social structure i.e. hospitals especially primary care in the rural areas, schools, universities, etc. Investment in social structures will not only boost growth (by fiscal stimulus) but will also create a healthy and capable generation to handle future work.

REVIEW OF LITERATURE:

Review of related literature makes the investigator fully aware with the previous work that has been done. It also provides an opportunity of gaining insight into the method, measures, subject and approaches employed by the other researchers.

Mehrotra, et al. (2009) constructed a Financial Inclusion Index (FII) to measure the level of financial inclusion and then try to find out the relation between financial inclusion and economic growth. Their argument is that, when people access to banking services it benefits them to park their money in the formal financial institutions. This results in high growth through multiplier effects which in other words helps to achieve an inclusive growth.

Chakravarty and Pal (2010) have very recently presented a set of matrices for measuring financial inclusion. In what they call as an axiomatic approach, they consider data from Beck et al. (2007) which reported eight indicators of financial inclusion. Their work is two folds. In the first stage they calculated the level of financial inclusion in 21 countries including India for different income groups. They stated that, to achieve the high level of financial inclusion, the factors of banking services have contributed equally to that success. At the state level, most of the states have experienced low financial inclusion during the period of 1991 to 2001. Interestingly, for the period of 2001 to 2007, the level of financial inclusion has increased in Indian states.

Chattopadhyay (2011) have studied the efficacy of financial inclusion in West Bengal (WB). For that, he has compared the performance of WB among all other Indian states and then a survey has been done in selected districts of WB. In comparing the performances, the WB has scored a very low level of financial inclusion. In the Financial Inclusion Index, Maharashtra has scored the highest level of achievement in financial inclusion. He argued that, after 2005 to 2006, there has not been any measure success in financial inclusion. Considering the district

level study, it is confirmed that financial inclusion is not speeded over all the rural areas. Money lender still dominants rural informal credit market.

METHODOLOGY:

This paper is descriptive in nature. It is mainly based on secondary data and is largely collected from different sources like books, journals, articles, and periodicals.

OBJECTIVES:

The main objectives of this paper is based on following headings:

- To examine the inclusive development of India in present era.
- To evaluate the role of Govt. to Development of inclusive Growth of India.

Challenges in Achieving Inclusive Growth:

Poverty:

As per the Multidimensional Poverty Index (MPI) 2018, India lifted 271 million people between 2005-06 and 2015-16, with the poorest regions, groups, and children, reducing poverty fastest. India demonstrates the clearest pro-poor pattern at the sub-national level. Still, despite the massive gains, 373 million Indians continue to experience acute deprivations. Additionally, 8.8% of the population lives in severe multidimensional poverty and 19.3% of the population are vulnerable to multidimensional poverty.

Unemployment:

As per the Periodic Labour Force Survey (PLFS) of NSSO, the unemployment rate among the urban workforce was 7.8%, while the unemployment rate for the rural workforce was 5.3% totaling the total unemployment rate at 6.1%. The quality and quantity of employment in India are low due to illiteracy and due to over-dependence on agriculture. The quality of employment is a problem as more than 80% of people work in the informal sector without any social security.

Agriculture Backwardness:

Around 44% of people in India have agriculture-related employment but its contribution to the Indian GDP is only 16.5% which lead to widespread poverty.

Issues with Social Development:

Social development is one of the key concerns for inclusive growth. But it is facing some problems such as:

- Significant regional, social and gender disparities.
- Low level and slow growth in public expenditure particularly in health and education.
- The poor quality delivery system.
- Social indicators are much lower for OBC, SC, ST, and Muslims
- Malnutrition among the children - India ranks 102nd in Global Hunger Index

Regional Disparities:

Regional disparities are a major concern for India. Factors like the caste system, gap between rich and poor etc. contribute to the regional disparities which create a system where some specific groups hold more privileges over others. In terms of literacy rate, Kerala is the most literate state with 93.1% literacy, on the other hand, literacy rate of Bihar is only 63.82%. In terms of per capita income, Goa's per capita income is Rs 4,67,998 in 2018 while per capita income of Bihar is just one-tenth of that ie Rs 43,822.

Inclusive Development Index (IDI):

In the Inclusive Development Index (IDI) compiled by the World Economic Forum (WEF), India ranked 62nd out of 74 emerging countries and was among the least inclusive countries in Group of 20 (G-20) countries. The IDI is based on the idea that most people base their country's growth not on GDP but by their own standard of living. India also did not make it to the top 10 most inclusive emerging and developing economies, where its neighbours Nepal, China and Sri Lanka made a mark. India performed its best in terms of "intergenerational equity and sustainability", ranking 44th, for which credit can be attributed to its demographic dividend.

Social Progress Index (SPI):

Only income inequalities are included and other inequalities like social inequality, equality of opportunities, etc are ignored. Gross Happiness Index: Ignores gender neutrality, education, etc HDI:

The unequal distribution of wealth is ignored. Benefits of SPI: SPI measures the outcomes of the government measures rather than money spent. It also takes account of efficiency by which money spent by the government has been used. It is more comprehensive.

Measures Taken India to Achieve Inclusive Growth:

Several schemes are being implemented by the government for inclusive growth which includes the following:

- Mahatma Gandhi National Rural Employment Guarantee Act Scheme (MGNREGA)
- Prime Minister's Employment Generation Programme (PMEGP)
- Mudra Bank scheme
- Pt. Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY)
- Deendayal Antyodaya Yojana- National Urban Livelihoods Mission (DAY-NULM)
- Sarva Siksha Abhiyan (SSA)
- National Rural Health Mission (NRHM)
- Bharat Nirman
- Swachh Bharat Mission
- Mission Ayushman
- Pradhan Mantri Jan Dhan Yojana
- Government is working with NGOs and International groupings in policy making eg:
- DISHA Project is being implemented in partnership with UNDP for creating employment and entrepreneurship opportunities for women in India.
- NITI Aayog's Strategy for New India @75 has the following objectives for the inclusive growth:
 - To have a rapid growth, which reaches 9-10% by 2022-23, which is inclusive, clean, sustained and formalized.
 - To Leverage technology for inclusive, sustainable and participatory development by 2022-23.
 - To have an inclusive development in the cities to ensure that urban poor and slum dwellers including recent migrants can avail city services.
 - To make schools more inclusive by addressing the barriers related to the physical environment (e.g. accessible toilets), admission procedures as well as curriculum design.
 - To make higher education more inclusive for the most vulnerable groups.
 - To provide quality ambulatory services for an inclusive package of diagnostic, curative, rehabilitative and palliative care, close to the people.
 - To prepare an inclusive policy framework with citizens at the center.

Government efforts for inclusive growth:

The government of India has come forth with multiple schemes which address inclusive growth:

Mahatma Gandhi National Rural Employment Guarantee Act Scheme: MGNREGA also known as Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS) is Indian legislation enacted on August 25, 2005. The MGNREGA provides a legal guarantee for one hundred days of employment in every financial year to adult members of any rural household willing to do public work-related unskilled manual work at the statutory minimum wage. The Ministry of Rural Development (MRD), Govt of India is monitoring the entire implementation of this scheme in association with state governments

Prime Minister's Employment Generation Programme (PMEGP): The scheme is implemented by Khadi and Village Industries Commission (KVIC) functioning as the nodal agency at the national level. At the state level, the scheme is implemented through State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs), District Industries Centres (DICs), and banks. In such cases, KVIC routes government subsidies through designated banks for eventual disbursal to the beneficiaries/entrepreneurs directly into their bank accounts.

Mudra Bank scheme: Pradhan Mantri MUDRA Yojana (PMMY) is a scheme launched in 2015 for providing loans up to 10 lakh to the non-

corporate, non-farm small/micro-enterprises. These loans are classified as MUDRA loans under PMMY. These loans are given by Commercial Banks, RRBs, Small Finance Banks, MFIs, and NBFCs.

Pt. Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY): It aims to skill rural youth who are poor and provide them with jobs having regular monthly wages or above the minimum wages. It is one of the clusters of initiatives of the Ministry of Rural Development, Government of India that seeks to promote rural livelihoods. It is a part of the National Rural Livelihood Mission (NRLM) – the Mission for poverty reduction called Aajeevika. The scheme will benefit more than 55 million poor rural youth who are ready to be skilled by providing sustainable employment.

This scheme derives importance from its potential to reduce poverty. It is also designed to be a major contributor to the Prime Minister's 'Make in India' campaign.

Deendayal Antyodaya Yojana - National Urban Livelihoods Mission (DAY-NULM): The mission would aim at providing shelters equipped with essential services to the urban homeless in a phased manner. In addition, the mission would also address the livelihood concerns of the urban street vendors by facilitating access to suitable spaces, institutional credit, social security, and skills to the urban street vendors for accessing emerging market opportunities.

Sarva Shiksha Abhiyan (SSA): Sarva Shiksha Abhiyan (SSA) is the Government of India's flagship program for the achievement of Universalization of Elementary Education (UEE) in a time-bound manner, as mandated by the 86th amendment to the Constitution of India making free and compulsory Education to the Children of 6-14 years age group, a Fundamental Right.

National Rural Health Mission (NRHM): The National Rural Health Mission (NRHM) was launched in 2005, to provide accessible, affordable, and quality health care to the rural population, especially the vulnerable groups.

Swachh Bharat Mission: To ensure that the open defecation-free behaviors are sustained, no one is left behind, and that solid and liquid waste management facilities are accessible, the Mission is moving towards the next Phase II of SBMG i.e ODF-Plus. ODF Plus activities under Phase II of the Swachh Bharat Mission (Grameen) will reinforce ODF behaviors and focus on providing interventions for the safe management of solid and liquid waste in villages.

Mission Ayushman: The Ayushman Bharat Digital Mission (ABDM) aims to develop the backbone necessary to support the integrated digital health infrastructure of the country. It will bridge the existing gap amongst different stakeholders of the Healthcare ecosystem through digital highways.

Pradhan Mantri Jan Dhan Yojana: PMJDY is National Mission for Financial Inclusion to ensure access to financial services, namely, basic savings & deposit accounts, remittance, credit, insurance, pension in an affordable manner. Under the scheme, a basic savings bank deposit (BSBD) account can be opened in any bank branch or Business Correspondent (Bank Mitra) outlet, by persons not having any other account.

DISHA Project is being implemented in partnership with UNDP for creating employment and entrepreneurship opportunities for women in India.

Way forward:

India's economic growth has not been well reflected in the real-time development on the ground which pushes back the aim to achieve complete inclusive growth. More steps need to take for making inclusive growth the target of development. Issues like social and regional disparity, rural and urban divide, malnutrition, poverty, etc, are being addressed via various schemes and projects but need more impetus. Growth as we know it doesn't work for all and is putting everyone's well-being at risk. We need to develop new and improved models and focus on ensuring growth improves lives. People would feel more motivated and involved if the benefits of economic growth were not allowed to flow into the pockets of a rich minority. This can be achieved by a few simpler steps like:

- Making our tax systems fairer and more effective
- Ensuring people can earn the wages they need to thrive
- Creating a business environment that attracts new firms and boosts communities

On a global scale, some social groups and territories, even in rich countries, have been left out for decades and need support. With the right policies and investments in essential public services, we can build more cohesive societies and bridge the divides that threaten our future prosperity. Most importantly, we need to anticipate the radical changes induced by globalization, digitalization, and demographic shift and target them by answering questions like:

- How can we build the skills of tomorrow's workforce?
- How can we support risk-taking and entrepreneurship while safeguarding job quality, collective bargaining, and social protection?
- How do we integrate the growing number of migrants to enhance solidarity, performance, and cohesion in our societies?

In the end, inclusive growth has to start from the grass-root level, hence targeting the basic issues is key. Nowadays, large numbers of people are losing faith in their institutions. This trend can be reversed if public authorities demonstrate the highest standards of integrity and efficiency in their work, and promote more transparency and public participation.

Suggestions for Inclusive Development of India:

First, countries should increase public and private investment in their citizens' capabilities, which is the most important way they can durably lift their rate of productivity growth. Second, governments, together with employers' and workers' organizations, should upgrade national rules and institutions relating to work. These influence the quantity and distribution of job opportunities and compensation, and thus the level of purchasing power and aggregate demand within the economy. Third, countries should increase public and private investment in labor-intensive economic sectors that generate wider benefits for society. These include sustainable water, energy, digital, and transport infrastructure, care sectors, the rural economy, and education and training.

CONCLUSION:

Indian government along with the state governments and local governments should continue to focus on eradicating poverty and achieving sustainable development in order to improve the lives of India's people. Through innovative partnerships with an international organization, civil societies, and private companies, inclusive and equitable growth can be targeted. Inclusive growth will help in the empowerment of vulnerable and marginalized populations, improve livelihoods, and augment skill-building for women.

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